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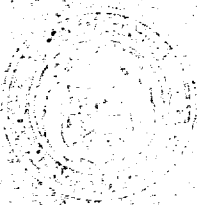
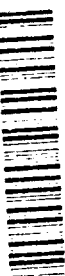
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CAMBODIA

Multilateral Relief Efforts in Border Camps

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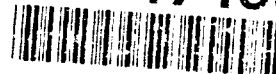


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National Security and
International Affairs Division

B-242340

January 22, 1991

The Honorable Claiborne Pell
Chairman, Committee on Foreign Relations
United States Senate

Dear Mr. Chairman:

As you requested, we have reviewed the humanitarian aid provided by multilateral organizations to Cambodians in border camps in Thailand. You asked us to provide information on (1) the events that led to the current situation, (2) the amount of money that is being spent to support the camps, (3) the purposes for which the money is being used, and (4) the control and accountability systems in place to manage the funds. This information was developed in conjunction with our analysis of U.S. assistance to the Cambodian non-communist resistance.

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Results in Brief

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Since the mid-1970s, more than 500,000 Cambodians have fled into Thailand, first in response to the reign of the Khmer Rouge and later to escape the 1978 Vietnamese invasion and subsequent war with Cambodian resistance fighters. It is estimated that more than 350,000 refugees and displaced persons remain in the border camps.

From 1982 through 1989, more than \$331 million in multinational support has assisted Cambodians living in the border camps managed by the United Nations Border Relief Operation (UNBRO). Most of the humanitarian relief was provided through UNBRO, and the U.S. share of donations ranged from a high of 49 percent in 1983 to 23 percent in 1989, for a total of \$101 million.

Most of the funds have provided basic humanitarian relief support such as food, shelter, and medical care, but supplementary assistance, such as vocational training, is also being provided. The humanitarian relief assistance is provided to persons living in border camps controlled by all three resistance factions, including the Khmer Rouge.

Although the United Nations and voluntary agencies believe they have adequate accountability over assistance when it is under their control, they acknowledged that accountability cannot be assured once commodities are turned over to Cambodian camp administrators for distribution. Diversions of commodities have occurred, but U.N. and voluntary agency officials did not know the extent of the diversions.

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More Than 350,000 Cambodians Are Still Living in Thailand

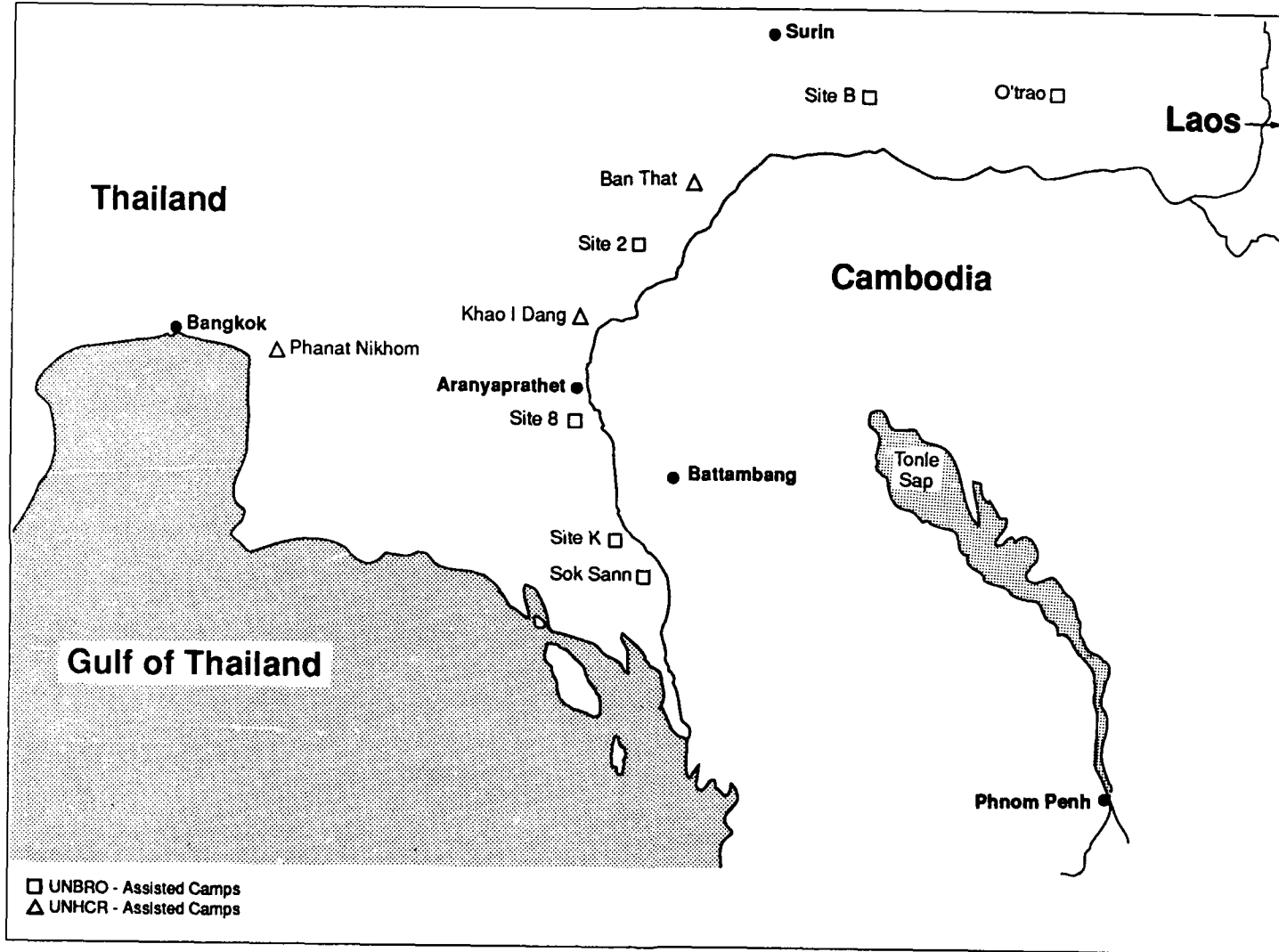
Until 1980, the Cambodians who fled the Khmer Rouge and Vietnamese to Thailand were classified as refugees, and relief efforts centered on their resettlement. More than 205,000 were accepted by third countries, including 140,000 by the United States. At the time we completed our review, there were about 11,000 individuals classified as refugees who were awaiting repatriation to Cambodia. They are living in camps operated by the United Nations High Commissioner for Refugees (UNHCR) and have been refused admittance by countries to which they applied.

The vast majority of the more than 350,000 Cambodians now in border camps fled after the Vietnamese invasion. From 1980 to 1985, Cambodians lived in a series of camps on both sides of the border, shifting sides seasonally in the face of Vietnamese attacks and withdrawals from the area. After the 1984-85 dry season offensive the Vietnamese did not withdraw from the area but continued their attacks against resistance forces and civilian camps. As a result, Cambodians were forced into Thailand, where they were granted temporary asylum until conditions inside Cambodia improved sufficiently to permit their return.

According to U.N. and U.S. Department of State officials, individuals who entered Thailand after 1980 were considered to be displaced persons rather than refugees and were therefore ineligible for resettlement in third countries. These displaced persons have been assisted by UNBRO, which was established in 1982 specifically to care for Cambodians in the camps in Thailand.

As shown in figure 1, there are now six UNBRO-assisted camps. Their origins can generally be traced to Cambodia, and each is under the control of one of the three resistance groups. For example, Site B was formed in 1981 in Cambodia by supporters of Prince Sihanouk and was moved to its current location in 1985. It is now administered by the National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia (FUNCINPEC) under the Prince's control. Two other camps belong to the Khmer People's National Liberation Front (KPNLF), also a non-communist force, with Site 2 having a larger population than any Cambodian city other than Phnom Penh. The remaining three camps receiving UNBRO assistance are under the control of the Khmer Rouge, officially known as the Party of Democratic Kampuchea.

Figure 1: Cambodian Border Camps in Thailand



UNBRO assists approximately 300,000 displaced Cambodians, and UNHCR provides relief to about 11,000 refugees and 5,000 displaced persons. Tables 1 and 2 show a camp-by-camp breakdown of the Cambodians. In addition to its donations to the United Nations, the United States has supplied non-lethal military and humanitarian assistance directly to the two non-communist resistance groups.

Table 1: Populations of UNBRO-Assisted Camps

| Camp | Political affiliation | Population |
|--------------|-----------------------|----------------|
| Site 2 | KPNLF | 165,748 |
| Site B | FUNCINPEC | 55,104 |
| Site 8 | Khmer Rouge | 37,323 |
| O'Trao | Khmer Rouge | 18,937 |
| Site K | Khmer Rouge | 11,261 |
| Sok Sann | KPNLF | 9,135 |
| Total | | 297,508 |

Table 2: Cambodian Population in UNHCR-Assisted Camps

| Camp | Population |
|---------------|---------------|
| Khao I Dang | 12,651 |
| Ban Thad | 2,146 |
| Phanat Nikhom | 767 |
| Total | 15,564 |

According to UNBRO and the Department of State, approximately 50,000 additional Cambodians are believed to reside in so-called "hidden camps" along the border where resistance leaders have prohibited U.N. assistance. These camps belong to the Khmer Rouge.

International Support for Cambodian Border Camps

From 1982 through 1989, UNBRO spent approximately \$331 million in international donations to care for the Cambodians in its six camps. Table 3 lists the sources and amounts of the donations.

Table 3: Worldwide Contributions to the U.N. Border Relief Operation, 1982-1989

| Dollars in thousands | | | |
|-----------------------------|------------------|----------------------------|------------------|
| Donor | Cash | In-kind value ^a | Total |
| Australia | \$4,701 | \$1,173 | \$5,874 |
| Austria | 46 | 363 | 409 |
| Belgium | 70 | 0 | 70 |
| Brunei | 50 | 0 | 50 |
| Canada | 5,055 | 6,030 | 11,085 |
| Chile | 5 | 0 | 5 |
| China | 300 | 0 | 300 |
| Denmark | 1,616 | 36 | 1,652 |
| European Community | 1,881 | 19,505 | 21,386 |
| Finland | 1,135 | 0 | 1,135 |
| France | 161 | 4,835 | 4,996 |
| Federal Republic of Germany | 5,421 | 0 | 5,421 |
| Greece | 80 | 0 | 80 |
| Indonesia | 60 | 0 | 60 |
| Italy | 3,410 | 650 | 4,060 |
| Japan | 26,523 | 127,021 | 153,544 |
| Malaysia | 149 | 0 | 149 |
| Netherlands | 1,870 | 1,030 | 2,900 |
| New Zealand | 375 | 167 | 542 |
| Norway | 757 | 2,838 | 3,595 |
| Pakistan | 40 | 0 | 40 |
| Philippines | 2 | 0 | 2 |
| Republic of Korea | 140 | 0 | 140 |
| Singapore | 80 | 0 | 80 |
| Sweden | 910 | 133 | 1,043 |
| Switzerland | 4,189 | 2,377 | 6,566 |
| United Kingdom | 3,988 | 1,136 | 5,124 |
| United States | 81,340 | 19,467 | 100,807 |
| Total | \$144,354 | \$186,761 | \$331,115 |

^aIn-kind donations include cash contributions for purchase of commodities by the World Food Program.
Source: U.N. Border Relief Operation.

UNHCR could not calculate its expenditures for Cambodians in Thailand over this period but estimated that it spent at least \$6.4 million for this purpose in 1990 alone. Private voluntary agencies also receive direct contributions for their programs in UNHCR camps, but they were unable to identify specific amounts.

From 1982 to 1989 the United States donated approximately \$101 million in cash and commodities to UNBRO, making it the second largest contributor, exceeded only by Japan. UNBRO assists all displaced persons camps where the resistance forces permit. A few countries, however, have stipulated that none of their funds may assist camps administered by the Khmer Rouge. The United States has not imposed any such restriction but has earmarked a portion of its funds for specific purposes, such as improving camp security.

In 1989, UNHCR designated \$5 million of the U.S. contribution for its Thailand program, some of which was used to assist Cambodians. The United States also donated funds to two voluntary agencies in UNHCR camps—about \$700,000 to the American Refugee Committee and about \$3 million to the International Rescue Committee—from 1982 to 1989. Finally, the International Committee of the Red Cross, an international organization devoted to assisting victims of conflict, received nearly \$11 million from the U.S. government from 1982 to 1989 for its activities in both UNHCR and UNBRO camps.

Services Provided in Border Camps

UNBRO and UNHCR provide basic humanitarian relief and supplementary services mostly through contracts with voluntary agencies. The overall objective is to provide a healthy, safe, and temporary haven for Cambodians.

UNBRO established the level of services required to meet the needs of camp residents in conjunction with the voluntary agencies, which had been serving Cambodians since 1979. UNBRO determined, for example, that each resident would receive daily dry rations of 2,457 calories along with fresh vegetables, wheat, and salt. According to UNBRO, vulnerable groups, such as infants, receive supplementary feedings if necessary. Sanitation and health guidelines were established in consultation with the World Health Organization. Voluntary agency officials informed us that medical services are generally comparable to the services available to the local Thai population. UNBRO standardizes services among camps by specifying standards and activities in contracts with voluntary agencies.

The United Nations and individual voluntary agencies also fund programs to educate and train residents for jobs that will be in demand once repatriation occurs and to support Cambodian self-sufficiency in the camps. Adult literacy, secondary education, and vocational training in areas such as electronics, agriculture, weaving, mechanics, and

nursing are available. UNBRO estimates that by the end of 1990 the camps will have about 2,500 trained primary health care workers, assisting with the ongoing health program and preparing to assume a care provider role in villages once they are repatriated. The residents also have a program to train individuals as school teachers. In 1989, UNBRO provided on-the-job training or formal classroom instruction to more than 30,000 Cambodians. The specific programs in a camp are dependent upon the voluntary agencies present, as well as upon the availability of other sources of income, such as the factions themselves or direct bilateral assistance. Because of budget constraints, UNBRO has announced it will cut some of the training it has been providing.

The U.N. agencies have not categorized their budgets to distinguish between basic relief activities or supplementary services. Based on our analysis of the types of programs funded, we estimate that the majority of these funds support basic humanitarian relief services.

Accountability and Control Systems

UNBRO officials said that they can adequately account for their donors' contributions while the funds and commodities are under their physical control. For example, they have instituted an inventory control system, and UNBRO directly controls supplies from the warehouse to the camps. We did not specifically evaluate the adequacy of UNBRO's internal controls.

UNBRO officials also said they are satisfied with the internal control procedures followed by the voluntary agencies. The agencies do not receive advance funding but submit monthly expenditure reports and are paid up to the agreed-upon budget. They must absorb the costs of any expenses beyond the budget ceiling. Further, voluntary agencies are subject to U.N. or outside audits and may be required to submit reports to the U.S. State Department.

UNBRO officials recognize, however, that accountability problems occur once they or the voluntary agencies relinquish control of the items to the Cambodian camp administrators. Although UNBRO pays nearly 21,000 camp residents for services such as ration distribution, primary school teaching, and fire prevention, it is the Cambodian camp administrators who actually manage these activities. The camp administrators both select people for the positions and exert considerable influence over how the jobs are performed. UNBRO officials believe they monitor these programs as well as possible but noted that the organization has only 20 staff in the six camps on a daily basis. This staff is usually not

allowed access to the camps at night, and as a result, UNBRO cannot control what happens to supplies once the staff leaves.

UNBRO has been unable to measure the extent to which goods and services intended for camp residents have been diverted, although UNBRO has uncovered instances of diversion. For example, UNBRO has found instances when camp administration workers permitted food and other items to be diverted to the resistance fighters inside Cambodia instead of being distributed to the residents. Also, non-food items were found on sale in local Thai markets. Further, individual workers have been found dealing in illegal activities. Medics, for example, were found selling drugs and stealing clinic water, even though water was available free from a nearby tap.

UNBRO has taken what it believes to be appropriate steps to minimize diversions by contracting with a voluntary agency to monitor the distribution of rations and by instituting stricter systems to control who can receive them. UNBRO officials caution, however, that given its staffing constraints and the emphasis on Cambodian self-management, some diversions and misuse of assistance will probably continue.

Scope and Methodology

To conduct our review, we met with U.S. Department of State, U.N., and Cambodian officials and visited five border camps in Thailand. We concentrated our efforts on the U.N. Border Relief Operation because it cares for most of the Cambodian border population and receives the bulk of the U.S. and international assistance.

We performed our work from April through November 1990 in accordance with generally accepted government auditing standards.

As you requested, we did not obtain official agency comments; however, we discussed this fact sheet with State Department officials. Copies of this fact sheet are being sent to the Chairmen, Senate Committee on Appropriations and House Committees on Appropriations and on Foreign Affairs; the Secretary of State; and the Administrator, Agency for International Development. We will send copies to other interested parties upon request.

Please call me on (202) 275-5790 if you or your staff have any further questions. Major contributors to this fact sheet were Donald L. Patton,

Assistant Director; Joan M. Slowitsky, Issue Manager;
Karla Springer-Hamilton, Evaluator-in-Charge; and Kenneth Daniell,
Evaluator.

Sincerely yours,

A handwritten signature in cursive script, reading "Harold J. Johnson".

Harold J. Johnson
Director, Foreign Economic
Assistance Issues